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as collateral and which guarantee your banks against losses on loans you make to foreign buyers on behalf of your exporting customers.

I would be less than honest if I did not stress the importance of the chief executive officers of your banks interesting themselves in these foreign credits. Our experience has proven that unless the top brass takes the leadership, little progress is made. The junior officers cannot get to first base without the enthusiastic support of their chairman or their president, as well as the board of directors. It is an unfortunate fact that, in many large cities in this country, the chairman of the board and the presidents of leading banks are not at all knowledgeable on Eximbank's facilities and, amazingly enough, do not even know what the Foreign Credit Insurance Association is or does. How can such great Massachusetts companies as Gillette, Draper, Crompton & Knowles, Heald Machine, Norton International, and many others, carry on around the world without the complete and absolute backing of their Massachusetts bankers? How can John Doe in Brockton or Joe Smith in Fall River develop a new export business unless his banker guides him and supports him in his plans to expand abroad and reap the profits that are waiting for him in countries like Nigeria, Mexico, Venezuela, and many, many others which are ready and anxious to buy American products provided satisfactory terms can be arranged.

Having been in the investment and commercial banking business for the past 37 years, I am somewhat conversant with the problems facing many bankers today. You have bank examiners to cope with, possibly a stodgy board of directors, and sometimes senior officers who have not kept abreast of this rapidly changing world and who believe that they can build a giant wall around their bank and smoke cigars in smug complacency. What would your ancestors and mine, the Founding Fathers of this country, think of their descendants today who were too lazy, too self-satisfied, and perhaps too timid to extend a few foreign credits on behalf of their customers, many of whom will not be able to survive without substantial export sales.

Do we forget that the original transportation systems and industrial plants in the United States could not have been built without the assistance of foreign capital from Europe and Great Britain? How can we increase our exports by \$2 billion or \$3 billion unless our banking system supports our exporters with credit? Do you want to have a new bureaucracy built in Washington that will take over the whole operation, or do you believe that private enterprise and capital in America are still capable of financing American business, whether it be located on Massachusetts Bay or in the high mountains of Peru? Our Government is offering you the props and covering you on the risks that you will not and should not take. Can't you, in turn, do your share to the end that America's foreign trade will prosper and thus help to end the deficits in our international balance of payments, not to mention our internal budgetary deficits? Are you looking ahead at the expanding European Common Market and realizing that a giant is in the offing which will, by 1970, have exports and imports of \$50 billion each year and which will provide opportunities for American exporters undreamed of in the history of man? It will also provide competition heretofore undreamed of and make necessary the mobilization of all of our country's financial resources to maintain and increase our position as the greatest exporting and importing nation in the world.

I ask you, the bankers of Massachusetts, to contemplate these matters and then deter-

mine whether or not you will get into the ball game and place a small portion of your vast resources at the disposal of your customers, without recourse, so that they will have the credit facilities to go out and sell American goods and equipment and Yankee ingenuity to all parts of the free world. By doing so, you will insure for your children, grandchildren and great-grandchildren for generations to come the blessings of the American way of life which you and I have been fortunate enough to enjoy, but which would never have been possible without the courage, initiative and pioneering spirit of our hardy ancestors who founded a colony here 342 years ago.

AMENDMENT OF LIFE INSURANCE COMPANY ACT OF THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I would like to take up two bills which have been cleared on both sides before taking up the next conference report.

I move that the Senate proceed to the consideration of Calendar No. 2231, House bill 12546.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12546) to amend the Life Insurance Company Act of the District of Columbia (48 Stat. 1145) approved June 19, 1934, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments on page 2, after line 8, to insert a new section, as follows:

SEC. 2. (a) Subsection 10(b) (11) of section 35 of chapter III of the Life Insurance Act (48 Stat. 1145) is amended to read as follows:

"(11) If such acquisition will not cause the acquiring company's aggregate cost of investments under this paragraph to exceed, in the case of a capital stock company, the amount of capital, surplus and contingency reserves in excess of \$300,000 or, in the case of a mutual company, the amount of surplus and contingency reserves in excess of \$150,000."

(b) Subsection 15(11) of section 35 of chapter III of such Act is amended by striking "\$150,000" and inserting in lieu thereof "\$300,000".

At the beginning of line 22, to change the section number from "2" to "3"; on page 3, at the beginning of line 5, to change the section number from "3" to "4"; in line 17, after the word "employees", to insert "officers, directors, or licensed agents"; in line 19, after the word "stock", to insert a colon and "Provided, That the number of options per share of stock shall be uniform"; and on page 4, at the beginning of line 1, to change the section number from "4" to "5".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendments were considered and agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

AUTHORIZING APPOINTMENT OF ONE ADDITIONAL ASSISTANT SECRETARY OF STATE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2234, Senate bill 3459.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3459) to authorize the appointment of one additional Assistant Secretary of State.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the bill was considered, ordered to be engrossed for a third reading, was read the third time and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of May 26, 1949, as amended (5 U.S.C. 151a), is amended by striking out "eleven" and inserting in lieu thereof "twelve".

SEC. 2. Section 106(a) (17) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(11)" and inserting in lieu thereof "(12)".

COMPENSATION FOR CERTAIN WORLD WAR II LOSSES—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I understand the senior Senator from South Carolina has another conference report ready. I think he is ready to call it up at this time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 2, 1962, pp. 20596-20597, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

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Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report.

Mr. JOHNSTON. Mr. President, I did not sign the conference report. I am not for the bill as written. I have many objections to the bill as it now stands. I should like to place in the RECORD my reasons why I am not for the conference report and why I was not for the bill when it was passed by the Senate.

Mr. President, as a member of the conference that met on the war claims bill, H.R. 7283, I would like to call the attention of the Senate to certain points in the conference report before final action on this report.

When this measure was before the Senate, I protested vehemently against the manner in which it was being handled on the floor. There were many sections of this particular bill which I thought were unwise, and I have made my views known on these issues before. Consequently, I want to make a brief statement concerning several items contained in the conference report which I believe to be to the detriment not only of the war claimants but also of the United States.

First of all, this conference report contains a priority payment schedule for certain claimants which I think is unprecedented in the history of the U.S. Senate. In my 18 years in the Senate I have introduced much legislation and fought many times to protect our small business concerns. I am proud of the record of the Senate in taking action to see that our small business concerns are protected from big business, which is sometimes a little to avaricious. However, as thoroughly as I could search my memory and my files, I could not find another instance in which small business concerns were given priority over the claims of individuals.

The amendment adopted in conference, known as amendment No. 6, page 13, lines 9 to 14, gives priority to small business concerns over the claims of individual claimants, which, as I said, is unprecedented in the history of the Senate.

Because of my concern over the various amendments in this bill, I wrote to the Foreign Claims Settlement Commission to request their views on the amendments. In a letter dated September 21, 1962, signed by Hon. Edward D. Re, Chairman of the Commission, they had this to say concerning this particular amendment:

The amendment in question is objectionable because it would result in granting to the so-called small business concern a priority payment for property loss claims over individuals who sustained such losses. This is entirely at cross purpose with the sense of H.R. 7283 as passed by the House which

included in section 213(a)(2) provision for payment in full up to \$10,000. This was designed to provide for "the little fellow." In addition, the House passed version included a deduction requirement on awards exceeding \$10,000 where the claimant had previously taken a tax writeoff. This, too, was designed to favor "the little fellow" and to prevent undue depletion of the fund. The executive branch believes that there is no justification for granting more favored treatment to small businesses than would be provided for individual claimants.

I want to call the particular attention of the Senate to two points in the quoted paragraph: First, this amendment gives the right of priority of payment in full to the claimants defined by the Small Business Administration to have been a small business on the date of loss. But, here, I want the Senate to note, while the bill requires that the business be a small business concern at the time of the loss, the amendment further insists that it must have been a small business concern within the meaning now set forth in the Small Business Act.

Mr. President, this not only gives these small business claimants priority over our individual claimants—which could go a long way toward depleting the funds—but it gives them the best of two worlds. In the years since World War II, when the losses would have occurred, the definition of "small business" has constantly upgraded to include larger and larger businesses. Twenty years ago when one spoke of small business he thought in terms of a concern employing 15 or 20, or less than 100 employees. Under today's criteria, the Small Business Administration does not even consider a business as not meeting their criteria unless it has over 250 or 300 employees. In many cases, business concerns employing 1,000 people are considered small businesses.

Mr. President, the Small Business Administration itself has four different criteria under various programs whereby it determines whether a business concern is a small business. They have one criterion for their small business loan program; they have another criterion for their Government sales program; and still another criterion for their Government procurement program. Anyone concerned with the problem can readily see that even if this amendment—deplorable as it may be—passed this Congress the Small Business Administration has no set of criteria which they can apply to determine what constitutes a small business.

Regardless of the problems for the Small Business Administration in this amendment, my primary concern is the inequities resulting when small businesses—for the first time in my recollection—are given priority over individual claimants who might have suffered similar losses.

Mr. President, even the Small Business Administration itself, which is primarily concerned with the problems and welfare of small business concerns, does not give priority to small businesses over individuals. In their disaster loan program, the Small Business Administration gives equal treatment to individuals and small business concerns. Why the Con-

gress of the United States should show more concern for a small business, which under the act is given equal treatment with individuals and receives full payment up to \$10,000, is beyond me.

Section 213(a)(2) of the bill provides for payment in full up to \$10,000. The bill further provides that if funds are available, everyone will be paid in full. However, if sufficient funds are not available, only the first \$10,000 will be paid in full and any additional available funds will be prorated among the claimants. There is also a deduction requirement on awards exceeding \$10,000 where the claimant has taken a tax writeoff. This, too, is designed to protect the "little fellow" and to protect the war claims fund.

Since the adoption of this amendment, the staff has attempted to find out how much money would be involved in the full payment of small business awards before any payments to individual claimants. No one knows the answer. The Foreign Claims Settlement Commission would not even give an approximate figure simply because such a priority has never been granted before and there is nothing upon which to base an estimate. We have in our files reference to one alleged small business loss reportedly of over \$1 million. How many more such claims there are no one knows. But even if only 10 percent of the funds would be used in this priority payment, it is still unfair to the individual claimant, because it is more or less generally agreed that the funds are insufficient.

Mr. President, it is inconceivable to me that the Congress should vote out a war claims bill allowing business concerns to receive awards amounting in the millions of dollars before an individual claimant can even be paid 10 cents for his losses.

Mr. President, if the funds prove to be insufficient, as current estimates indicate, and somebody has to receive 10 cents on the dollar, the full burden of the insufficiency will fall on the individual claimants. I refuse to believe that the Senate intends to pass a war claims measure which contains such inequities.

Mr. President, I have spoken at length on the unwise action we are taking in permitting a sale of General Aniline & Film Corp. I have informed the Senate that this amendment will merely increase the amount of litigation involved in determining true ownership of the stock. I have informed the Senate that the sale of this asset at this time will not—I repeat, will not—increase in any way the money in the war claims fund until this litigation is finished. I have further pointed out that the future profits of the company, instead of going into the war claims fund, if the Government prevails, will go into private pockets under this proposed amendment. I have further informed the Senate, should the Swiss prevail, this amendment could cost the taxpayers millions and millions of dollars. My stand on this phase of this bill is a matter of record. I am content that I have fought as sincerely as possible to protect all parties involved.

The Senate, however, has never had an opportunity—nor have I—to go on record as opposing the principle of al-

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There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF MASSACHUSETTS

Lt. Comdr. Richard Davids Stephenson was killed in World War II on D-day over Sicily on a volunteer mission while commanding an amphibious aircraft. He was awarded, posthumously, the Distinguished Flying Cross, lesser medals, and a British decoration.

In 1946 Mrs. Helenita Stephenson, his widow and mother of their four minor children, went through a wedding ceremony with one Frank Hine. The marriage was never consummated because of impotence resulting from an incurable, congenital brain tumor which manifested itself also in intermittent amnesia and Jacksonian epilepsy. A few weeks after the marriage the purported spouse disappeared and from then on was hidden periodically in various hospitals and sanitariums by his family. The claimant was not informed of Mr. Hine's condition before marriage during 8 months of courtship and she was unable to obtain evidence of his condition after marriage because of concealment in undisclosed institutions until Mr. Hine became publicly ill in 1954 and was confined in a known hospital from which she could subpoena records. After this evidence became available for the first time, Mrs. Stephenson brought suit for annulment in the U.S. District Court for the District of Columbia in 1954. In her suit, heard in June 1955, she requested restoration of her rights and privileges as a unremarried widow and an annulment of the marriage on the basis of fraud as to physical condition and inability to support. The case was defended by attorney. The court held the marriage void ab initio and restored her rights and privileges. The expenses of this action were raised by Commander Stephenson's class of 1935, U.S. Naval Academy.

In 1946 Mrs. Stephenson had mistakenly informed the Veterans' Administration that she had contracted a valid marriage. When Mr. Hine deserted her shortly after her wedding she reported this in person to the Veterans' Administration and suggested reinstatement as an unremarried war widow. This was denied. Again, in 1955 after the court verdict the Veterans' Administration denied a pension on the ground that her marriage was voidable but not void. This ruling was questioned by a U.S. Senator as contrary to the decree of the Federal Court that the marriage was void ab initio. As a consequence, a hearing was held at the Central Office of the Veterans' Administration in 1956 and the claim for pension was again denied.

In 1956, after further congressional intervention the Veterans' Administration again denied the pension, this time on the grounds that the decree of the court did not represent a final judgment as the purported spouse had died within 90 days of the court action and consequently before the time for appeal had elapsed. It may be noted that the fact of his death had been known to the Veterans' Administration in 1955 but the court decree was not questioned as a final judgment until after hearings on other grounds had been held.

The Veterans' Administration is not subject to suit, but as Mrs. Stephenson had become entitled to benefits from the Social Security Administration under the Mothers' Insurance Benefit Act and as this agency had followed the ruling of the Veterans' Administration as to her status action was instituted against the Security Administration to determine her rights. The U.S. Court of Appeals of the District of Columbia in this action upheld the decree of the lower court in the annulment suit and de-

creed that the marriage was void ab initio and that the claimant was entitled to all her rights and benefits as a unremarried widow.

After this decision, the Veterans' Administration failed to act for 9 months until the inconsistency of payment and recognition of her status by the Social Security Administration and nonpayment and nonrecognition of her as an unremarried widow was brought to the Veterans' Administration attention by the aforementioned Senator.

In October 1957 the Veterans' Administration finally sent a check for \$1,425 to the claimant with no explanation or covering letter. The claimant computed the amount as representing her pension from July 1955 to October 1957 or from 1 month after the issuance of the court decree of annulment of ab initio.

In connection with the proposed bill, it may be noted that there is no law requiring nonpayment of a war widow pension during a period of a subsequent void marriage. Any such law apparently would be unconstitutional because contrary to the general principle that a void contract has absolutely no effect. Even though the Veterans' Administration has wide discretionary authority, it is difficult to understand how an act of this agency which is contrary to general law is not wisely remedied.

Moreover, under its wide discretionary authority there would appear to be no justification of fear of improper precedent. The Veterans' Administration is authorized to use its discretion in each individual situation. As the Veterans' Administration in a requested status letter to the White House, in March 1961, stated that this claim represented an exceptional case its merits would appear subject to individual determination without any effect on other distinguishable situation in the future.

Under a recent decision the courts have held that where eligibility was mistakenly reported to the Government and payments made, a beneficiary must repay the benefits received through the mistake. Where a claimant mistakenly reports ineligibility, as in this situation, the Government similarly would seem to be under a moral if not a legal obligation to pay the beneficiary the benefits that had been upheld through the erroneous report of the claimant. The Government would not appear to be justified in benefiting from error or a contract any more than it should be expected to suffer a loss in a situation created by error or a void contract.

The enactment of H.R. 9285 will rectify a situation where the only remedy available to the claimant rests in the conscience and sense of justice of Members of Congress.

— DCF —
TRADE EXPANSION ACT OF 1962—
CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, the distinguished chairman of the Finance Committee, the senior Senator from Virginia [Mr. BYRD], wishes to call up the conference report on the trade bill, I believe.

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 2, 1962, pp. 20597-20598, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD of Virginia. Mr. President, I wish to state that the Senate conferees stood firm and was successful in retaining most of the changes it had made in the House bill. We were disappointed in one or two respects, but generally feel that we have maintained the Senate position very well.

I shall briefly review the action of the conferees, although I shall not take the time of the Senate to discuss technical or conforming amendments nor small matters about which there is little difference.

In the statement of purposes there was a compromise. The Senate had deleted parts 3 and 4, having to do with assistance in the progress of undeveloped countries and the prevention of Communist economic penetration. The House conferees receded on No. 3, and the Senate conferees receded on No. 4—so that the statement of purposes now contains a reference to the prevention of Communist economic penetration.

The Senate amendments created a new Free European Trading Community, thus enlarging the possibilities of reducing to zero the duties where 80 percent of world trade is accounted for by the United States and the countries of that organization. On this the Senate conferees were forced to recede. It was pointed out strongly that to enlarge the present European Economic Community for the purposes of this section of the act might act as a deterrent to entrance of the United Kingdom into the Common Market, and the fact remains that the authority to reduce tariffs by 50 percent is still available.

As I have stated, there was no way in which that the Senate conferees could persuade the conferees of the House to accept this new principle.

With regard to the Senate amendments concerning the Tariff Commission reports and advice to the President on the items which are to be negotiated upon, the Senate conferees persuaded the House conferees to recede. Upon the Senate amendment, the type of report to be prepared by the Tariff Commission is much more detailed and complete. The House conferees recognized the value of this addition to the bill, and accepted it. This accounted for amendments Nos. 15, 16, 17, and 18. Amendment No. 19 was a conforming one.

The House conferees also receded on amendment No. 20. Section 225(b) of the bill as passed by the House required the President, during the 4-year period which begins on the date of the enactment of the act, to reserve certain articles—with respect to which the majority of the Tariff Commission has

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found injury under prior law—from negotiation under the bill for a period of 4 years. The Senate required the reservation to be 5 years; and that figure stands, inasmuch as the House conferees receded.

Under amendment No. 21, section 231 of the bill as passed by the House directs the President to suspend, withdraw, or prevent the application of any trade agreement concessions to products of any country or area dominated or controlled by communism. The Senate amendment struck out "any country or area dominated or controlled by communism" and inserted "the Union of Soviet Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement." On this the Senate was forced to recede.

Mr. JAVITS. Mr. President, will it be convenient for the Senator to yield at this time on that point?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I should like to pinpoint one matter, to which I shall address myself later, namely, that this change in definition makes a real difference in the view of the conferees, in that the President will not be able to give the most-favored-nation treatment to either Yugoslavia or Poland, if we adopt the conference report language. Does it not?

Mr. BYRD of Virginia. That is correct. It is covered in the next paragraph of my statement.

Mr. JAVITS. I thank the Senator.

Mr. BYRD of Virginia. The point at issue was, Should the President be allowed to give most-favored-nation treatment to Poland and Yugoslavia? Under the Senate amendment, he would be permitted to do so; under the House version Poland and Yugoslavia could not get most-favored-nation treatment. The bill states this should be accomplished "as soon as practicable" which permits the President to determine when the action required under section 231 is feasible.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. Is the President of the United States for or against the provision?

Mr. BYRD of Virginia. I understand the administration was opposed to the provision whereby the most-favored-nation treatment could not be given either to Poland or Yugoslavia.

Mr. JAVITS. Does the Senator know if the administration is so much against the provision that the President will veto the bill because of it?

Mr. BYRD of Virginia. I have no information as to what the President will do. I cannot imagine that he would veto the entire bill because of the fact that the House would not agree to the amendment which was adopted by the Senate.

Mr. JAVITS. Nonetheless, it seems to me that the President has made it clear that he considers the limitation of his power in this manner extremely embarrassing and damaging to the national interest. I gather the Senator from Vir-

ginia has no actual information on that subject. Is that correct?

Mr. BYRD of Virginia. I have no actual information, except that we were told in conference the President favored the Senate provision whereby the most-favored-nation treatment could be given to Poland and Yugoslavia. The House was absolutely adamant. We were told by the chairman of the committee in the House that they would refuse to sign the report, and the Senate could do nothing, but was compelled to recede.

Mr. JAVITS. If it wanted a bill.

Mr. BYRD of Virginia. If it wanted a bill.

Mr. JAVITS. I thank the Senator from Virginia.

Mr. BYRD of Virginia. It should be noted, however, I will say to the Senator from New York, that trade may continue with these two countries, even though they may not get the most-favored-nation treatment.

Mr. JAVITS. Will the Senator yield further to me at that point?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I understand the country on which this provision will bear most heavily is Yugoslavia, because the great preponderance of the trade of Yugoslavia moves under the most-favored-nation opportunity with the United States. Perhaps the Senator from Virginia will confirm for me whether it is not true that in Yugoslavia's case, unlike the rest of the Communist bloc, Yugoslavia's trade is very substantially oriented to the free world, rather than being intra-Communist bloc, as is true of the other nations of the Communist bloc.

Mr. BYRD of Virginia. That is correct. The provision does not stop trade with Yugoslavia; it simply takes away the most-favored-nation treatment.

Mr. JAVITS. I thank the Senator.

Mr. BYRD of Virginia. Amendment No. 22 provided that the Special Representative for Trade Negotiations established in the bill shall be the chief representative of the United States for each general multilateral negotiation, allowing others to handle the minor negotiations. The Senate receded, but won its point—that is, that the Special Representative need not personally conduct every relatively minor negotiation, although he will be responsible for the conduct of every negotiation regardless of size.

Amendments Nos. 23, 25, and 28 had to do with the interagency organization provided for by section 242 of the bill. The House provided that the Chairman of this organization should be a member of the Cabinet selected by the President, with the Special Representative an ex officio member. The Senate provided that the Special Representative should be Chairman of the organization and the House receded on this point. Incidentally, he will be subject to confirmation of the Senate. Thus, the Special Representative will be Chairman of the Interagency Organization as well as being responsible for all negotiations under the bill.

The Senate and its conferees thought there should not be included a definite mandate to the President that a member of the Cabinet be appointed, because

these members may have some special interests. Therefore, the President is left with the capacity to appoint some other outstanding person in charge of negotiations, and that person's nomination will be subject to confirmation by the Senate.

The changes in language adopted by the Senate to section 252(a) of the House bill were not acceptable to the House even though it was admitted that the Senate amendment was fairly innocuous. The term "unjustified" was restored and the term "unjustifiably" was deleted. The Senate receded.

On amendment No. 38 the conferees compromised. Under the conference agreement the President is to exercise the authority of the Senate amendment "to the extent he deems such duties and other import restrictions" necessary to prevent or remove foreign restrictions on imports of U.S. agricultural products. With this modification the Senate amendment was accepted. The new language adopted by the conferees in no way alters the sense of the Senate that the President shall have powerful weapons with which to bargain down or prevent the establishment of foreign restrictions which hinder our exports of agricultural products.

By amendment No. 39 the Senate strengthened section 252(b) of the bill. In discussing the directive to the President to deny trade agreement benefits to a country which maintains nontariff trade restrictions which burden commerce in a manner inconsistent with our trade agreements, the House referred to "unlimited variable import fees." The Senate deleted the term "unlimited," and the House receded on this point.

Under amendment No. 41 the President is given authority to deny trade agreement benefits to any country maintaining unreasonable import restrictions which burdens U.S. commerce. The amendment requires that in giving effect to this section the President is to give due regard to our international obligations. The House receded and the amendment stands.

On amendment No. 52 the House also receded. This amendment provided that the provisions of the bill do not in any way affect section 22 of the Agricultural Adjustment Act or any import restrictions thereunder.

Senate amendment No. 53 adds a new section to the Tariff Act relating to conservation of fishery resources. Under this section the President is directed to use all appropriate means to persuade other countries to negotiate in good faith concerning such conservation. If any country fails to negotiate in good faith the President may increase duties on imports of fish products from that country. The Senate amendment was retained, the House receded.

Amendment No. 55 related to section 301(a) of the bill. This has to do with the filing of petitions for tariff adjustment and for petitions for eligibility to apply for adjustment assistance. This amendment also sets forth the two types of petitions in separate paragraphs and authorizes the filing of petitions for the negotiation of orderly marketing

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agreements under section 352. The House receded with a modification deleting the reference to filing petitions for the negotiations of agreements under section 352 on the grounds that this is a prerogative of the President after an escape clause appeal to the Tariff Commission has been successfully concluded.

Under amendments Nos. 57, 62, and 65 the Senate approved the strengthening of the escape clause by stating that the injury or threat of injury need only be "in major part" the result of tariff concessions. Under the House bill it might have been interpreted that increased imports as a result of tariff concessions had to be the sole cause of the injury. On this the House also receded. This same principle applies to amendments Nos. 59 and 66 on which the House also receded.

Under section 301(c) of the House bill the Tariff Commission would be required to make a complete escape-clause type investigation for firms or groups of workers as for whole industries. Senate amendments Nos. 61 and 64 deleted the requirement that industry determinations be made in such cases and provided in lieu thereof that petitions under section 301(c) be made more promptly. Here again the House receded and the Senate amendment stands. By amendment No. 67 the Senate deleted the proviso that, during a period beginning not earlier than 30 days after publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Commission with respect thereto, no petition for eligibility to apply for adjustment assistance could be filed by a firm or group of workers concerning the same articles. The House also receded in this case.

Senate amendments Nos. 69 and 70 were also designed to speed up operations. Under the sections relating to adjustment assistance, for example, hearings would not be required unless requested by some interested party. Once more the House receded.

Amendments Nos. 71 and 72 extended the time for Tariff Commission reports under the escape clause to 6 months—the House bill allowed 120 days plus another 30 days if extended by the President. Here again the Senate amendment was accepted and the House receded.

Under Senate amendment No. 75 the amount of trade readjustment allowance payable to any worker for any week is reduced only by the amount of unemployment insurance which he has received or is seeking with respect to that week. The Senate prevailed here also and the House receded.

Senate amendments Nos. 76 and 77 were also adopted by the conferees. Under No. 76 the number of weeks for which any worker may receive trade readjustment allowances is reduced only by the number of weeks for which such unemployment insurance or training allowances are actually paid to the worker. Amendment No. 77 provided that certain additional amounts will be payable only if the worker was actually paid unemployment insurance or a training allowance for the relevant week.

The House further receded on Senate amendment No. 78. In agreeing to this amendment the conferees intended that if payments of unemployment insurance are made by a State to an adversely affected worker and the State agency is reimbursed for such payments, and such payments are disregarded under the State law in determining whether or not an employer is entitled to a reduced rate of contributions permitted by State law, then the worker is not to have his eligibility for unemployment insurance reduced on account of such payments.

Amendments Nos. 84, 85, and 88 were compromised, with the Senate receding on No. 85. Under this compromise, the increases in duties or other import restrictions proclaimed under the escape clause of the present law shall terminate in 5 years and such increases proclaimed under the new law shall terminate in 4 years. The House version provided for termination in 4 years of all such increases under both the present law and the new law, while the Senate amendments provided for a termination in 5 years of all such increases. These same periods also apply to the reservation of articles from new negotiations.

The House receded on amendment No. 90. This was a new section added by the Senate providing that the President may enter into orderly marketing agreements with foreign countries.

As you have seen, the House receded on most of the Senate amendments. However, they refused to recede on amendment No. 91 which was a new section added by the Senate giving the President authority to increase tariffs, and impose quotas or new tariffs when he found it in the national interest. On this the House stood firm and indicated that no compromise was possible. The Senate finally receded.

I am happy to report a successful conference. Including technical changes made necessary by Senate amendments, the conferees discussed 94 amendments. As I have indicated, the Senate stood firm and held its position on most of them. I hope the Senate will give speedy approval to the conference report.

Mr. BUSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Young of Ohio in the chair). Does the Senator yield?

Mr. BYRD of Virginia. I yield to the Senator from Connecticut.

Mr. BUSH. I wish to felicitate the Senator from Virginia upon the conclusion of his arduous labors in connection with this exceedingly comprehensive and difficult piece of legislation.

Mr. President, I want the RECORD to show that I support the conference report. This is because I feel that the Trade Agreements Act should not be allowed to expire and also because I feel that the President should have additional authority to continue trade negotiations and to create new trade agreements.

I opposed many sections of the bill, and I still do oppose them. I offered various amendments which I thought would improve the bill by removing some of its discriminatory features, thereby

creating a situation under which all elements of the economy would be treated with equal fairness and justice.

One of the reasons why I voted against the bill, and one of my objections to it, was that various industries or various elements of the economy were to be given preferred treatment, while others were to be left without any assurance of protection or consideration, and without what I considered to be an adequate court or process of appeal to correct injustices or hardships which might be created by excessive imports.

We worked hard to try to perfect the bill in respect to those matters, and others.

Inasmuch as the die is cast, and inasmuch as I wish the President to continue to make trade agreements, I shall support the conference report. I express very strongly the hope that the President, in using the vast new powers, will use them with great discretion and with equal and fair treatment to all elements of the economy.

I will not say I have no doubt in that regard, but I express the very strong hope that the President will do this.

It seems to me that one class of people or one element of our industrial and commercial life should not be preferred against another, but that equal treatment should be accorded to all under an important piece of legislation such as this—and, indeed, under any piece of legislation.

So I conclude by saying that I support the conference report. I hope that the President will exercise his new powers with great discretion and consideration for all elements of our economy, and in such a way as to provide an overall and very substantial benefit for the United States. I thank the Senator for yielding.

Mr. MORSE. Mr. President—

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield to the Senator from New York.

Mr. JAVITS. I am grateful to the Senator for yielding. I, too, would like to make a few observations, if I may, on the conference report, which, I must say, I find not nearly as satisfactory or encouraging as does the Senator from Connecticut.

We are facing a very serious situation in the world which only enlarged exports can change. It is absolutely astounding to me that we do not show the necessary economic sophistication to understand that in order to enlarge the exportation of goods, we must do something about the bill which we are not doing.

In short, the very Senators who express the gravest concern about voting for foreign aid and how it would run the country down the drain, and so forth, are those who would probably embrace with alacrity the very elements of this bill which would prevent us from paying the foreign aid bill without borrowing.

Our imbalance of international payments is serious. It continues to be serious. In essence it represents something like \$3 billion plus a year. It is a substantial imbalance. Yet we have found that it is the will of this body,

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with which I could not agree more, that we shall continue our military and economic aid obligations which do much to create the imbalance.

Nor do we wish to restrict our private investments abroad, which are essential to the world's development. In fact, our private oversea investment in many areas is very deficient right now and, if anything, we are not forwarding the world's development as well as we must.

Nonetheless, when we get to the bill we lose any understanding of the connection between the balance of payments and trade. If we want to balance our international payments, we must trade more than we do. Certainly we have a \$3-, \$4- or \$5-billion export surplus, depending on whether or not one counts Government supported exports, but that is not enough. It is not enough, also, for the development of the world which represents perils and needs way beyond that. But the House has been allowed to prevail in the elements of the bill which would bring about the greatest restrictions and pull us back from acquiring an ability to balance our payments and to do the economic development job.

I have no fault to find with the Senator from Virginia [Mr. BYRD]. I am sure he did as well as he could. But it represents a lack of consciousness on the part of our country which does not come back to Senators in order to give us the strength and support, and in the other body, also it is not communicated, as to what we need in the way of a bill.

What is wrong with the bill? I shall be brief, because I do not wish to keep my dear friend the Senator from Oregon on his feet longer than necessary.

First, we would place a premium on the British getting into the European Common Market whether they like it or not, because by receding from that section of the Senate bill which provided that we could group together, for purposes of mutual tariff elimination, those in the European Economic Community, the Six Nations, with those in the European Free Trade Association, which would include the United Kingdom, we now have put another gun at Britain's head to make Great Britain go into the Common Market. Otherwise, she could not make with us nor could we make with her or any other nation an effort to obtain the large concessions required to expand international trade with respect to most of the major items of that trade, because we cannot go beyond the 50 percent tariff reduction limitation of the bill, except when we and the European Economic Community handle 80 percent of the world exports of a particular commodity.

The United Kingdom is not in the European Common Market. Therefore, we would put an additional burden on her to get in, notwithstanding the disquietude of many of her Dominions and other Commonwealth members, which think the proposal is a very bad idea for her and them, notwithstanding the fact that in order to get in, she needs to make a good trade deal with the Commonwealth. We want her in the European Common Market, but we want her

also to have her right to a ticket to protect her Commonwealth and not to have the ticket written by the European Common Market countries. Yet, by passing the bill in this fashion, we have given Britain an additional handicap to the one she is already under. She must negotiate with the European Common Market. We know she is under a considerable handicap already.

That is the first point.

Second, we have a great opportunity in making a bid to the non-Communist world, the new nations in Africa, Latin America, and Asia, which is infinitely more important, in my view, than much that we can do for them in terms of aid. We have stricken out one sentence in the Senate bill which would give away a tremendous asset which we had in our hands. One of the purposes of the original bill was "to assist in the progress of countries in the earlier stages of their economic development."

That meant that when we bargained with great industrial powers—and the great industrial powers represent the great export markets of the world—we could bargain for Brazil's coffee. We could bargain for Ghana's cocoa. We could bargain for nitrates from Chile. We could bargain for wool from Argentina or meat from Argentina. We could bargain for silver from Mexico. In short, we could do something with our great economic power to help the new nations of the world in trade which to them is far more important than aid.

By striking out that provision, we have now limited the President's directive so that he no longer must try to serve that particular purpose. In my opinion, we have deprived ourselves also of a great propaganda asset with these newly developing nations, to which we could have said, "We have inserted in our trade bill a stipulation that we will provide what is more important to you than aid itself."

Finally, I think we are making a colossal blunder in respect of Poland and Yugoslavia.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield on his first point?

Mr. JAVITS. I do not have the floor. I believe the Senator from Virginia has the floor.

Mr. BYRD of Virginia. I yield.

Mr. WILLIAMS of Delaware. Merely for the record, I should like to say that I understand and sympathize with the argument that the Senator has advanced in connection with the exclusion of Great Britain. But I think it would be well to place in the RECORD that at that time the amendment, which was a Senate amendment, as the Senator understands, was approved in our committee. It was approved and made a part of the Senate bill over the objections of the State Department. They very strongly opposed that provision, which to lead the bill into a conference. I understand unofficially that they may have changed their minds since. But as the bill came from the House originally, they supported the position and opposed it strongly in our committee and told us they would like it deleted.

Mr. JAVITS. I thank the Senator. I think the Senator knows me well enough

to know that I have never claimed omniscience for myself or the State Department. I think perhaps they were wrong.

Mr. WILLIAMS of Delaware. I understand that they have now changed their position and are on the other side.

Mr. JAVITS. I thank my colleague. I feel strengthened on that point. I should like to make the last point, which relates to Poland and Yugoslavia.

Mr. President, I have always felt that it was wonderful that in the Senate there are those who have expertise in different areas. We all do not have to know the same things. I know very little about Western reclamation. Many Senators know a great deal more. I am desirous of listening to them. I hope that Senators will try to really understand what goes on with reference to Yugoslavia and Poland. That is an area in which I have had a great deal of experience. Ever since 1945 I have studied the subject very deeply.

Mr. President, surely the argument is that we can negotiate a trade treaty with Yugoslavia and with Poland directly, and the President, subject to congressional approval, can make concessions and those countries can make concessions. Therefore, the opportunity to extend to them automatically the benefits of the most-favored-nations clause, it is said, cannot hurt us, because, after all, if we can negotiate a treaty with them containing mutual concessions, we can negotiate any concessions we please. But that attitude misses the boat completely for the following reason: Yugoslavia and Poland are in the Communist bloc. We know that Khrushchev will put down any show of real independence in Poland with the same ruthlessness with which he acted in Hungary. It is not easy for those countries to deal with us directly. In many cases they cannot do it in terms of the physical safety of their own people. So where we have been able to help them in terms of giving them some economic independence from the Communist bloc is by virtue of the favored-nations clause. In short, we would permit Yugoslavia and Poland to have the benefit of the bill. They would not have to negotiate with us, but would receive the benefits nevertheless. The fact is that the preponderance of Yugoslavia's trade is with the free world. In the case of Poland, a large proportion of its trade is with the free world, whereas Czechoslovakia and Bulgaria and Rumania and the other Balkan countries are kept in absolute vassalage by the Soviet Union, partly because they have little trade except intra-Communist bloc trade. Great strategists in the Senate are always talking about the fact that we will take the initiative; we will show the Russians how smart we are. We are letting slip out of our hands the greatest economic initiative that we have; with our eyes open it walks out the door and gets away from us.

Why? It is because doctrinaire objections are made which are almost impossible to understand. We say that we will not do business with the Communists; we will let them starve to death.

At the same time, they are constantly being fattened, and in many cases are becoming as strong as we are.

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Mr. Khrushchev will be delighted. He will not think it is a great victory for us. He will be delighted to know what we have done, because he knows better than we the power of trade. He knows better than we what it will mean to Yugoslavia and Poland when they must turn to the Communist bloc in order to do business, in order to eat, in order to obtain the necessities of life, instead of looking more and more toward us.

This is a very serious blunder. I cannot stop it. I do not understand why the President of the United States has not stopped it. I believe that if he had explained to the people of the country precisely what is involved here, if he had not been so overwhelmed by the chairman of one of the committees, he could have prevailed.

I have backed the President time and time and time again. I am dismayed and disheartened when he fails to show fight on economic issues.

Mr. President, this is particularly deplorable, because this is where it counts. It counts more than the billions that we will be spending on aid. These countries could have been doing something on their own. Instead, we have committed a blunder. All I can do is make the welkin ring. Perhaps my people in New York will not send me back to the Senate. They may not like the strong position I take on issues of this kind. I have been trained in economics for years, and this is the day that I pay back to the country what I know about these situations. I cannot do anything about it. However, the voice of protest may yet count after our experience shows what a disastrous mistake we have made.

Mr. BYRD of Virginia. Of course, the Senator knows that this provision was in the Senate bill.

Mr. JAVITS. Of course, I am proud of the Senate.

Mr. BYRD of Virginia. The House refused to accept it.

Mr. JAVITS. I know. I am proud of the Senate. The Senate acted in a statesmanlike manner. I am proud indeed. I know the Senator did everything he could to get this done. I am grateful to the Senator.

Mr. President, at the conclusion of my remarks I ask unanimous consent to have inserted in the RECORD an article by Walter Lippmann from the Washington Post of October 2, dealing with the issue of trade with Poland and Yugoslavia.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TODAY AND TOMORROW—BACKFIRING MISCHIEF
(By Walter Lippmann)

Although our attention is fixed on Mississippi and although it is a long way to Yugoslavia and Poland, this Tuesday is a critical day in the cold war in Eastern Europe.

The trade bill, on the whole so excellent, is being reported out of the conference of the House and Senate, and in its present form it contains a provision, inserted by the House against the will of the Senate, that would damage severely U.S. policy in Eastern Europe.

This policy was initiated by Truman and Acheson, elaborated by Eisenhower and Dulles, and carried on by Kennedy and Rusk.

It offers material advantage to Communist countries that try to achieve national independence from the domination of the Soviet Union. The trade bill as it now stands would wreck this policy. On a crucial point the House has prevailed over the Senate.

The difference between the two versions turns on what is known as the most favored nation, for short the so-called MFN clause in trade agreements. Most favored nation means that if a government grants tariff privileges to another, it must do the same for countries with which it has treaties containing the most-favored-nation clause.

Thus, insofar as this country has lowered its tariffs under the Reciprocal Trade Act, it has granted to all nations with which it has most-favored-nation agreements the same concessions.

Moreover, if the President acts under the trade bill to negotiate lower tariffs with the Common Market, we must grant the same lower duties to any other country with which we have a most-favored-nation agreement.

With Yugoslavia, since it was created after World War I, our trade relations have been governed by the 1891 Treaty of Friendship Commerce, and Navigation with the old kingdom of Serbia. It contains a most-favored-nation clause. As an act of policy, we have since December 1960, granted this treatment to Poland, with which there is no treaty.

Now in the trade bill as it passed the Senate, the most-favored-nation treatment would be denied to any "country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement." This is identical with existing law.

For some 13 years under three Presidents the official American judgment has been that although Yugoslavia is ruled by Communists, in a very considerable degree Yugoslavia is an independent national state and in critical matters is not ruled by Moscow.

About Poland, our feeling has been that it is struggling rather effectively to achieve increasing national independence. Thus under the Senate version, Yugoslavia and Poland would continue to be eligible for most-favored-nation tariff treatment.

But in the House version, which prevailed in the conference, the test is not national independence but ideological belief. Thus most-favored-nation treatment must be denied to "any country or area dominated or controlled by communism."

If this test prevails in the final bill, the President will have to deny most-favored-nation treatment "as soon as practicable" to Poland and to Yugoslavia.

What will be the practical effect? The economic impact will be much greater on Yugoslavia, which does 70 percent of its foreign trade with the Western countries, than on Poland, which does only about 40 percent of its trade with the West.

The act of slamming the door in their faces will be demoralizing to the younger generation everywhere in Eastern Europe who look increasingly toward the West. The symbolic importance probably outweighs the material effect.

Because Yugoslavia has received most-favored-nation treatment for so long a time, it has built up a foreign trade dependent on the tariff benefits, which give it a great advantage as against its Communist neighbors and parity with its competitors in the non-Communist world.

If the trade bill prevails as it now stands, the tariff duties on about 90 percent of the goods imported into the United States from Yugoslavia will be raised to the level of the Smoot-Hawley tariff of 1930. They are between 2 and 3 times higher than the rates that now prevail.

Yugoslavia will then face the same U.S. tariff as does the Soviet Union, Hungary, Ulbricht's East Germany, and Stalinist Czechoslovakia.

As for Poland, the material effect will be less catastrophic. Taking the 1961 figures, out of a total of \$41.2 million worth of U.S. imports from Poland, there will be no increase on about 80 percent.

This is mainly because so large a part of the imports are canned meat on which we have made no tariff concessions to any country. For the rest, Poland has enjoyed most-favored-nation treatment only since December 1960 and has not had time to develop much trade accordingly.

The fact that Yugoslavia has such a preponderant relationship with the non-Communist world has had enormous bearing on the cold war in Southern and Eastern Europe.

Ideologically, the Yugoslav officials are Communists. But they are Yugoslav Communists and not Muscovite Communists. So on matters that do not affect Yugoslav national interests they generally follow the Soviet line. But when their national interests are involved, they act independently.

Thus, Yugoslavia is not a member of the Warsaw military pact. What is more, because we have had the good sense to equip the Yugoslav air force, the United States and not the Soviet Union is the supplier of the spare parts and replacements.

It is asinine to call this assistance to communism. We have in fact achieved the same kind of penetration of the Communist world as Moscow has done in our world in Cuba.

Though Tito is ideologically aligned against us, strategically and in the ultimate political sense he is aligned with us.

When he broke with Moscow in 1948, he closed his frontier to the Communist guerrillas who were waging civil war in Greece. He made a satisfactory settlement with Italy in Trieste. And he worked out good arrangements with his neighbor Austria.

In that part of Europe of which Yugoslavia is the keystone, the imperial expansion of the Soviet Union is not only contained but is in fact rolled back.

The Senate understood this. The House, which did not understand, has sabotaged a highly successful national policy.

If the mischief cannot be undone, this country will in a fit of imbecility have wounded itself. It will have thrown away one of our most effective weapons in the cold war and it will have adopted a weapon that is designed to backfire.

For we shall be saying to the Yugoslavs and the Poles and to others who may have yearnings for freedom that they have no future with the West and that they had better come to terms with Moscow.

Mr. MORSE. Mr. President, let me say to the chairman that in my many years of service in the Senate we have from time to time participated in the making of legislative history on the floor of the Senate with regard to many subjects. Sometimes it has been with respect to cherries. Sometimes it has been with respect to the lumber industry in my State. Sometimes it has been with respect to the merchant marine as it affects my State.

I want the Senator from Virginia to know, in behalf of the people of my State, that we appreciate very much the cooperation that he has always extended to our State through our Senators in making these records of legislative history.

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As he will recall, when the bill was before the Senate for consideration we made legislative history with regard to section 353, which has been dropped from the bill. That history, had the section remained in the bill, would have been vital to a subsequent interpretation of the section either by the Tariff Commission and by the President and possibly the courts in case it ever reached the courts.

I have always had the greatest pleasure in cooperating with the Senator from Virginia on any matter on which I could be of assistance. In fact, I am sometimes amused when I pick up a newspaper and read that a journalist or columnist has written, "How can HARRY BYRD and WAYNE MORSE be in the same party?"

The trouble with such an uninformed journalist is that he does not understand one of the underlying tenets of our political philosophy, which is identical. We both know that there can be no political freedom in this country for future generations unless we preserve economic freedom. The Senator from Virginia and the Senator from Oregon may follow different avenues and sometimes different value judgments in seeking to preserve economic freedom, but both of us recognize that we have an obligation to keep the economy of our country strong, because without it there can be no political freedom for our great-grandchildren.

Therefore I express my appreciation to the senior Senator from Virginia for the wonderful help he has been to me during my 18 years of service in the Senate. I have a few questions that I should like to ask him, in order to help make legislative history.

When the trade bill was before the Senate, the chairman of the Committee on Finance discussed with me the question of whether the legislation provides the lumber industry with an adequate opportunity to receive consideration for protection from imports of lumber.

As the Senator from Virginia knows, the lumber industry in the Pacific Northwest is in very critical condition. It is in critical condition because we are being hard pressed by competition from Canada. It is competition which involves subsidies, direct and indirect, by the Canadian Government to the Canadian mills. We seek only an equal opportunity to compete with the Canadian mills for the American market. We are not seeking any advantage, and we are not involving ourselves in any discussion of competition for lumber markets outside the United States. However, this industry deserves those protections and procedures which will give our lumber operators an opportunity to compete on an equal basis with the Canadian mills.

As the Senator knows, our colleagues from the South in the Senate tell us that they too are beginning to feel the pinch of this competition from abroad.

With that as my major premise, I should like to ask the Senator the following questions:

First, with the conference report before us, I know that some changes have

been made, and today I seek to ascertain whether in the judgment of the chairman of the Committee on Finance the legislation now before us provides essentially the same protection as would have been provided by the Senate-passed bill.

Mr. BYRD of Virginia. I thank the Senator for his kind references to the chairman of the Committee on Finance.

My answer to the senior Senator from Oregon is that this legislation does provide adequate means for protection wherever the facts warrant such action.

As the senior Senator from Oregon knows, it is the purpose of this legislation to have the Government provide equal protection to each and every industry which believes that it is being hurt by imports. The whole purpose of the trade legislation is to prescribe the machinery which is equally available to every segment of our free enterprise system, so that it may present its case as to the effect of trade. The bill provides this machinery for use not only by management, but also by labor.

Mr. MORSE. I thank the Senator. I would like the chairman of the committee to advise me as to the effect of the elimination of section 353 in the conference.

Mr. BYRD of Virginia. Section 353 proposed to give the President unlimited and undefined power to impose tariffs and quotas in any situation where he thought the Nation's interest required. After an affirmative finding by the Tariff Commission, the President already has authority to impose quotas and tariffs, but other sections of this legislation spell out the limitations upon this authority. The other thing that section 353 appeared to do was to let the President decide what was in the national interest without setting out any standards. The whole concept of our trade program is that through an orderly procedure, facts are presented and judgments are made upon those facts. While the facts may show some measure of injury, the President is not bound by the recommendations made to him by the Tariff Commission, nor is the Congress bound by the decision made by the President. Each may look at the facts and reach a conclusion, and this conclusion involved a consideration of the national interest. Section 353 was a sword which could cut two ways: First, one problem was that there was no procedure prescribed for ascertaining the facts and, second, the other problem was that the Congress did not retain the same opportunity for review as the other sections of the bill provide.

The bill, as it came from conference, contains several substantial provisions which can be extremely beneficial to the lumber industry which the senior Senator from Oregon has been so diligent in assisting.

Mr. MORSE. Will the senior Senator from Virginia set forth for me the opportunities that this legislation contains?

Mr. BYRD of Virginia. In response to my colleague from Oregon, I would say that there are four key things to this bill:

First. We provided that any action now pending before the Tariff Commission, and this includes the lumber industry matter, would be continued.

Second. The proposed legislation would permit the Tariff Commission to recommend, and the President to act, so as to provide a tariff on lumber 50 percent higher than the tariff that was in effect in 1934.

Third. Section 252 contains authority for the President to act in situations like those which now exist in relation to Canada. As the senior Senator from Oregon knows, Canada has increased her duties on a number of items which we export to Canada. Lumber was not included in those increases; however, the increases have posed problems for other industries. This entire question involves Canada's compliance with agreements reached under GATT, and this entire subject will be reviewed in the October GATT conference. Section 252 strengthens the President's authority here.

Fourth. Also, the committee added section 352 which provides for the President to enter into orderly marketing agreements with other nations in lieu of the imposition of tariffs and quotas. This provision should be of great value in the situation facing the domestic lumber industry.

Mr. MORSE. I thank the Senator from Virginia. I proceed to my fourth question: How may the lumber industry avail itself of the opportunity in section 352?

Mr. BYRD of Virginia. The lumber industry or any other industry must establish before the Tariff Commission that it has a case. This is of prime importance because the entire concept of the trade bill is that we will move toward the elimination of trade barriers on a mutually beneficial basis. Thus, the lumber industry must present its case completely and factually to the Tariff Commission. If the facts are strong enough to obtain an affirmative finding, then the President may impose a tariff and quota, employ the alternative of the marketing agreement in section 352, utilize chapters 2 and 3 of the bill or apply a combination of these actions. It seems to me that the lumber industry should be extremely pleased with this trade bill because it does afford opportunities for a sound adjustment of any real problem that it may have.

As the senior Senator from Oregon has earlier explained to me in our discussion off the floor, the administration has taken a number of steps on the domestic front, as has the Congress, all of which have been beneficial to the domestic lumber situation.

Mr. MORSE. I thank the Senator from Virginia. My final question to the chairman is to seek his advice as to the action that Congress might contemplate, should the Tariff Commission delay too long on the request of the lumber industry for relief.

Mr. BYRD of Virginia. I am quite confident that the Senators from the West, where the lumber industry is of such large dimensions, and the Senators from the South, where this industry is

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also most important, may desire to address themselves to this question when the Congress reconvenes in January, should it be necessary. Certainly, we would require that the facts be before us before we acted, for, as the senior Senator from Oregon knows, it has been quite unusual for the Congress to do something which both the Tariff Commission and the President have refrained from doing. Again, I would point out to my colleague from Oregon that a successful conclusion to the request by the lumber industry for assistance and relief, actually now rests in the hands of this industry. In fact, it has always rested in their hands because the machinery of the trade law has always been open to them. What we have done this year is to open up new ways to solve difficult economic problems which sometimes occur in the field of trade.

Mr. MORSE. I thank the distinguished Senator from Virginia, the chairman of the Committee on Finance, for his judgment and cooperation. He has a long experience and great knowledge in the field of trade legislation. He is noted for his independent judgment. In my opinion, adequate facts have been developed to convince me that action is necessary.

I am most pleased by the Senator's description of what can be done under section 352 of the bill and I take judicial note of the individual and group benefits available under chapters 2 and 3 of the bill. I hope that the lumber industry will take notice of what the Senator from Virginia has said about what may be done when Congress returns in January. I serve notice that I shall review this situation and determine upon a course of action based upon the record that has been made before the Tariff Commission and the judgments which I hope both the Commission and the President may have made by then. I hope that in the light of the description of the benefits to be expected from the trade bill, which the Senator from Virginia has so capably outlined, the administration will have taken proper action on the major aspect of the situation facing the lumber industry.

Mr. President, that concludes my colloquy with the Senator from Virginia. However, I desire to speak in my own right, when I can obtain the floor, if no other Senator wishes to ask questions of the Senator from Virginia at this time.

Mr. President, I seek recognition.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Reedsport Ply Plant Up; Sawmill Down," and published in the September issue of Western Timber Industry.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REEDSPORT PLY PLANT UP; SAWMILL DOWN
REEDSPORT, OREG.—Typifying the trend of the Pacific Northwest wood converting industry was the recent announcement that the U.S. Plywood Corp. will shut down its

sawmill at Reedsport indefinitely, but will build a major addition to its plywood plant there.

Loss of employment at the lumber operation will be 18, but gain in the plywood end will be 70. Total plywood payroll will jump to \$1 million for 150 employees.

A layup operation will supplement the present green veneer plant.

Some 70,000 square feet of additional plant space will be needed, Marshall Leeper, Eugene, U.S. Ply vice president, reported. Production will be about 80 million square feet annually. Additional investment is estimated at \$1.5 million.

L. James Bagley has been named manager of the Reedsport facilities of U.S. Ply. He had been Oregon division logging and timber manager. Clarence Stevens will manage the plywood plant.

U.S. Ply's Oregon softwood plywood production will rise to more than 700 million square feet when the plan is finished.

Mr. MORSE. Mr. President, the article points out the type of change which sometimes occurs in the complex forest products industry. U.S. Plywood will shut down a sawmill, dropping 18 jobs at Reedsport, but the plywood end of the Reedsport plant will increase by 70 employees, a net gain of 52 employees for Reedsport, Oreg.

However, a straight lumber mill cannot always make this type of shift, and in the face of Canadian lumber competition cannot survive.

U.S. Plywood is a giant concern, having good financial backing. It is the small and medium mills, which are not diversified, that are being hurt, and it is this type of operation which needs the various aids and the type of assistance which can flow from chapters 2 and 3 of the trade bill; from section 352, relating to marketing agreements; and from the tariff and quota sections.

Mr. President, before the vote on the conference report, I owe it to the people of my State and to the lumber industry of my State to make the record which I now propose to make for the next few minutes, in a speech that I shall entitle "Lumber Policy."

LUMBER POLICY

Mr. President, I have recently talked with a considerable number of representatives of the lumber industry. I would be less than honest if I did not report to the Senate there are many who are not very happy with the trade bill, because they believe they suffered a very severe blow when section 353 was dropped in conference. I have spoken with the Senator from Virginia [Mr. BYRD], and there is no question that the Senate conferees sought to retain section 353 in the conference report. I have also spoken with the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], and the Senator from Florida [Mr. SMATHERS], who were other conferees on the bill. They assured me that they desired to retain section 353 in the bill.

I would also be less than honest if I did not say, for the legislative record, that each of the Senators to whom I have referred said he was satisfied that the bill provides much to protect the lumber industry. All of these distinguished men in the field of trade emphasize again and again that if the lumber industry will make use of the provisions of the bill,

if they will make a good factual case, they will find instruments or tools in this bill which can be used to assist them in solving the trade problems of the lumber industry.

These Senators also point out what has been done by the White House lumber program of July 26. They said they had no doubt that the President was determined to make certain that his recommendations of July 26, which have become known as the White House lumber program, will be carried out by a determined President.

They also pointed out to me that the changes which have already taken place in regard to the procedures and policies of the Forest Service ought to be recognized by the lumber industry as being of great value to the industry, because great progress has been made toward trying to provide some governmental relief from the economic problems of the lumber industry.

I do not deny any of the points raised by those Senators, but the proof of any pudding is in its eating. The proof as to whether the lumber industry will be able to overcome the economic crisis which confronts it will be determined by the action which it takes and which the Government will take in the weeks and months ahead to assist an industry which is so sorely hurt economically.

Oregon is dependent upon the economy of the lumber industry—as is the State of Washington. Although the Senator from Washington [Mr. MAGNUSON], with whom I have worked very closely in regard to lumber problems, is not present this afternoon, I speak in his behalf; and I can assure the Senate that the other Senators from the Pacific Northwest have expressed the same concern that I do over the crisis in the lumber industry.

Mr. President, over the last several months, I—along with other Northwestern Senators—have devoted a great deal of time to improving the situation of our domestic lumber industry. This Congress is nearing the end of its session, and the adoption of the conference report on the trade bill represents one of the last milestones in a record of considerable accomplishments.

I recognize that the lumber industry is disappointed that the conferees did not accept section 353 of the trade bill. Considered alone, the loss of this section might seem of consequence. However, I shall proceed to point out that under the provisions of present law which are contained in the trade bill and because of the new provisions written into the trade bill, plus—in total—some 18 actions which have been taken either by the administration, the Senate, the House, or both bodies, the result is a substantial opportunity for the lumber industry to achieve a better economic situation.

Because of the point I have just mentioned, Mr. President, I have decided to vote this afternoon for adoption of the conference report. As is well known, there was a time when it was my position that unless the trade bill gave the lumber industry clear assurance that it contained adequate protective mechanisms, it would be neces-

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sary for me to vote against the measure. I said that I did not intend to vote for the bill if it would result in the exportation of jobs to Canada.

Mr. President, I would not vote today for adoption of the conference report if I felt that the trade program covered by this measure would result in the exportation of jobs to Canada.

As I have said, I have been in conference with some of the lumber industry leaders, and I have discussed with them the position I would take on this measure. I have taken the position—and, so far as I know, all of those with whom I conferred shared my point of view—that because of the assurance given me by the Senator from Virginia [Mr. BYRD]—and he gave it to me just a moment ago—and because of my conviction that the program will be carried out in accordance with that assurance, I felt that I owed it to the lumber industry and to Oregon and to the Nation to support the President by voting in favor of adoption of the conference report.

I also said frankly to the representatives of the lumber industry with whom I conferred that I thought I would be in a better position to be of assistance to them in the future if I voted for the conference report, rather than if I voted against it. By voting in favor of adoption of the conference report, I pledge myself to be of assistance to the President in connection with the program to be established under the bill; and after having voted for adoption of the conference report, I shall be in a better position to help with the working out of the program to be developed in line with the President's conference on July 26.

I would be the first to admit that one of the accomplishments which we set as a goal has not been achieved. One of these is the amendment to the Jones Act; and this failed of accomplishment, not because there was any lack of diligence upon the part of Northwest Senators, but because the industry itself was split, with the Southern segment opposing the proposed legislation which we put forward.

In the light of this circumstance, the Senator from Washington (Mr. MAGNUSON) concluded that the Southern industry should have an opportunity for hearings this fall, and thus has refrained from bringing to a vote the proposed legislation to amend the Jones Act. We shall look at this matter again in January. On every other front, however, progress has been made. Therefore, I want to take this opportunity to try to place in perspective not only what has been done, but also what must still be done. In doing so, I wish to emphasize the point made by the Senator from Virginia in one colloquy that the industry itself has an obligation and a responsibility which it must meet.

We have provided a great number of tools which will enable the lumber industry to carve out within the framework of free-enterprise economy, solutions to the problems which confront it.

Mr. President, Mr. Mortimer B. Doyle, of the National Lumber Manufacturers Association, has sent to me and to other Senators a telegram reading as follows:

Deletion of section 353 from the foreign trade bill in conference is being construed as completely negating assurances given the American lumber industry during a colloquy among Senators MORSE, MAGNUSON, and others on the floor of the Senate September 18, concerning domestic lumber industry problems of ever-increasing Canadian lumber imports.

On the advice of the President of the United States and Members of Congress, lumbermen have sought relief through the Tariff Commission proceeding due to start October 2.

Under the proposed law which will, presumably, be in force at the time of the Commission finding, no tariff to provide effective relief can be recommended despite the merits of the lumber industry case.

The compromise trade bill as changed in conference would remove the power of the President to raise tariffs beyond 50 percent above the specific duties of July 1, 1934. Inflation has destroyed the effectiveness of those duties. The Senate received assurances, on the floor of the Senate from the chairman of the conference, that this inequity, of particular significance to the lumber industry now in disastrous economic condition, could be corrected by section 353, which the conference committee has now eliminated.

The lumber industry seeks justice for 361,000 workers and urgently requests that the foreign trade bill either be returned to conference for restoration of section 353, that a compromise to offset inflation as in present law be arrived at, or that special legislation be passed to enable the Tariff Commission to deal with the lumber relief proceeding under present law.

Mr. President, if I thought he was correct, I would vote to return the trade bill to conference.

As the Senator from Virginia has confirmed, the action of the conferees in no way negates assurances given Northwest Senators as to the effect of the trade bill on the ability of the lumber industry to get a just and fair solution to real problems.

I think Mr. Doyle performed a service for the Senators from the States in the Northwest by sending us the telegram I have just read into the RECORD, because the telegram led to a discussion among the Northwest delegation. It produced the constructive colloquy between myself and the Senator from Virginia, which made the legislative history on this bill. So I express my very deep appreciation to Mr. Doyle and his associates for their cooperation with the delegations from the Northwest as we have worked out, together, the best possible solutions which can be obtained under the conference report for relief for the lumber industry.

The acceptance of Section 353 by the conference would not have automatically directed the President to grant relief to the lumber industry from Canadian lumber without a finding of fact as to the national interest. Without facts, no President is going to determine the course where the national interest leads; and under Section 353, it is certain that the President would have elected to get the facts from the Tariff Commission—perhaps on an abbreviated basis. The loss of Section 353 is not a critical loss, although I would prefer that it had not been eliminated from the bill.

The President did not want this sec-

tion in the bill; and, under this circumstance, it is unlikely that he would have used it. The President still would have had discretion under the Act and the Senator from Virginia has already discussed the practical situation the conferees faced.

For the information of Mr. Doyle and his associates in the lumber industry, I wish to say that I found this bit of information after I last talked with them. I checked with advisers to the administration and I found that opposition to section 353 existed within the administration, particularly within the Department of Commerce. I know that my constituents within the lumber industry are realists. They appreciate the fact that if those to whom we look to for assistance and cooperation in connection with solution of the problems of the lumber industry should be opposed to some particularly discretionary procedure, Senators from the Pacific Northwest States and the Members of the House of Representatives from the Pacific Northwest States would not be in a very strong bargaining position, in asking the administration to assist us with other problems, if we, in turn, opposed the President in a decision which it had reached in regard to section 353, once section 353 was eliminated from the bill.

The lumber industry is now in the midst of its hearings before the Tariff Commission. Even had section 353 been retained commonsense dictates that the President would have let the lumber hearings run their course and the Tariff Commission make a recommendation. Prudence and wisdom would have called for this course, especially if the first application of the policy contemplated by section 353 involved an industry presently before the Tariff Commission.

In addition to the question of speed, there is the even more impelling aspect of the President's determination of what measures fall within the definition of national interest, as contemplated in section 353. As the Senator from Virginia so well pointed out, the vagueness of the term and the lack of a standard caused the President to object to this section. In my judgment, however, the national interest now calls for action on Canadian lumber, but I can see where reasonable men might differ on both the type and approach. I am confident that the President would willingly apply section 352 and develop an orderly marketing agreement with Canada on lumber. I am equally confident that if the industry makes a good case which leads to an affirmative recommendation by the Tariff Commission, the President will present Canada with a choice—tariffs and quotas or cooperation on a marketing agreement on lumber.

All that section 353 would have brought to the industry at this point would be the opportunity for the President to place a higher tariff on Canadian lumber than is possible under existing law.

Later, I shall develop the positive steps available in this bill which can be taken by the lumber industry.

The National Lumber Manufacturers Association contends that "no tariff to

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provide effective relief can be recommended despite the merits of the lumber industry case." I do not think the picture is this black—nor does the chairman of the Committee on Finance. In our colloquy on September 18, we developed the facts on the maximum tariff that could be imposed on Canadian lumber. The NLMA contends the bill would eliminate the power of the President to raise tariffs beyond 50 percent above the specific duties of July 1, 1934. The duties on lumber were \$4 per thousand board feet on that date and these could be raised today to \$6. This power is not removed or changed. Lumber is subject to duty.

I am presenting the material in this form, setting forth the contentions of the National Lumber Manufacturers Association and the response to them, because I think that is the best service I can render to the lumber interests. We have taken the points raised by the National Lumber Manufacturers Association in regard to section 353, as well as other parts of the bill, and we have obtained from the administration the basis for its objections to the arguments of the National Lumber Manufacturers Association and other lumbermen in support of section 353. I am setting those arguments out now because we must face the fact that the position of the administration is a reality. It is now an after-the-fact matter. We must move on from here, for if we just look back we will not attain our goal. I want the RECORD to show that I have placed the administration's position in the RECORD in answer to each of our objections to the elimination of section 353.

So that there may be no question of doubt, let me make very clear that I think it would have been much better to leave section 353 in the bill, but as a Senator representing my State, whose duty it is to do everything he can for the legitimate economic rights of the lumber industry in his State, I am confronted with the fact that we must move from here. Where do we go from here? I think the first thing is to make clear what the administration's objections to section 353 were and are, and to make some suggestions, before I close, about the relief I believe can be given to the industry.

The Internal Revenue Service has held that lumber was on the free list in 1930, and the import tax is a duty. Lumber thus is dutiable. The Tariff Classification Act changes import taxes to duties.

The contention of the lumber industry that effective relief will be denied is erroneous. Certainly, section 353 would have taken away the tariff level ceiling, but I am confident that, given the choice between a \$6 tariff on every thousand board feet imported and a marketing agreement under section 352, Canadian lumbermen would be found eager to agree to the type of solution suggested by our lumbermen last spring, in the conference with the Secretary of Commerce, Mr. Luther Hodges.

Now, let us take a look at the relief sought then by the lumber industry. They suggested that an amount of Canadian lumber equal to 10 percent of do-

mestic production be permitted to enter duty free and thereafter a 10-percent tariff be applied. If this had been in effect last year, when domestic softwood production was about 27 billion board feet, 2.7 billion board feet would have come in duty free from Canada, and 1.2 billion board feet would have carried a 10-percent duty, or an effective duty on the entire imported volume of about 3 percent.

Last year the value of lumber imported was about \$250 million, and a \$6 tariff on the 3.9 billion feet imported would have totaled \$23,500,000, or an effective duty rate of about 9 percent. This rate would have been almost three times greater than the effective tariff under the lumber industry's proposal. It is true that, adjusted to the change in values that has occurred since 1938, a \$6 tariff today is not comparable to the \$4 tariff that then existed. However, this \$6 tariff is greater than the industry proposal of last spring. Not only is this true, but both the present and proposed law contain the authority for the President to place a complete quota on Canadian lumber.

I think it clear that the lumber industry proposal, and the relief they seek before the Tariff Commission, is based upon a reasonable effort to reconcile their problems with Canada. They seek to equalize competition not to destroy it—nor to disrupt Canada.

The problem that the lumber industry must meet and solve, whether section 353 is in or out of the trade bill, remains the same. They must marshal their facts to show injury. This is the crux of the situation, and this is why it is imperative that a full case be made before the Tariff Commission.

What we have done for this industry in the trade bill so far is considerable and constructive.

First. The criteria to be taken into account by the Tariff Commission have been preserved.

Second. Duty levels of \$6 per thousand feet are available for the President to apply should the facts warrant, and these are three times greater than the industry itself has requested. The President may place a complete quota on imported lumber, also, should the facts before the Commission so warrant.

Third. Section 252 gives the President authority to deal directly with the type of situation we have with Canada should he find that their import restrictions impair the value of tariff commitments made to the United States, unjustly oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis. Here the problem will also be squarely before GATT in October, because Canada's actions on its import duties have wide international trade ramifications.

Fourth. Section 352 provides for the development of orderly marketing agreements, including the most valuable tool for offering Canada a choice between a tariff and quota restriction on her lumber, and a cooperative agreement to limit exports along lines earlier suggested by the NLMA itself. Here I refer to their proposal for a tariff of 10

percent to be effective after imports reach 10 percent of domestic production.

In using this section, the procedures of either section 301 or 351 must be applied. However, the industry is now before the Commission on this basis. Thus under section 352, a new avenue is open and possible under this bill.

Finally, chapters 2 and 3 of the bill set forth machinery for industrywide assistance to labor and management as well as for individual petitions by concerns or workers. On this latter point I take particular notice of the fact that even should the Tariff Commission not make an affirmative recommendation on the overall lumber case, individual firms can petition for relief.

I urge each association to alert its members to the provisions of this section. This will be useful in an overall finding of injury or in its absence. I pledge to every firm in Oregon my assistance in getting just relief for their individual situation.

These five positive accomplishments in the trade bill offer a real opportunity for constructive solutions to a difficult situation.

I am concerned that industry spokesmen have believed that the trade bill threatened their opportunity to obtain relief. The record does not bear this out. The trade bill has protected and broadened the lumber industry's ability to obtain relief.

Therefore I am doing the best I can to make an evaluation of every provision of the bill. I think we can make use of it in seeking to protect the economic rights of the lumber industry, and we must be prepared to use every avenue for relief.

Instead of claiming at each step of this bill that mortal wounds have been inflicted, I have an obligation to follow where the facts lead. If I did not carefully follow this course I would not be properly serving the thousands of lumber workers, thousands of stockholders in lumber firms, and thousands of small businesses in the lumber-dependent communities of my State. I know the industry's situation is severe and I know that facts are with us. I do not intend to have this industry denied consideration nor unduly delayed in its quest for relief. I want to make certain that all in the industry have the facts so that they can act.

Difficult economic situations are not solved in an emotional atmosphere. I think we have to look coolly at what has been done and what still can be done.

In addition to the trade bill, which gives a real opportunity for the industry to get its house in order, the Kennedy administration has embarked on a most constructive course which has already and will substantially benefit this industry.

On July 26, the President set into full motion the program well underway since his 1961 message to the Congress on conservation.

These steps include:

First. Constructive talks with Canada during September, which pave the way toward the type of solution which will

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be possible under section 352—a marketing agreement on lumber.

A good case of facts by the industry before the Tariff Commission is essential to obtain Presidential application of this provision, just as it is essential to getting the more drastic tariff and quota established.

Second. Forest road and trail authorizations for the 3 years, 1963-65, will total \$215 million. Taken together with special forest access funds, 10-percent funds plus funds available to the Department of Interior, which for forest roads are some \$25 million, the total is over \$270 million. This is double the amount of the previous 3 years.

The Canadian lumber industry must bear the entire burden for forest road construction. Here our Federal Government correctly meets an obligation.

The cost of the road is recaptured from the timber sold and the working capital needs of many timber operators are reduced below those required in a comparable Canadian timber sale.

Third. Where timber purchasers must construct access roads, the SBA has developed, in cooperation with the Forest Service and the Bureau of Land Management, a program of loans which will help finance this construction in a manner which will reduce working capital needs.

Fourth. Allowable timber harvests on the forests of the Department of the Interior have been substantially increased. In the national forests, increases have been made in the past, and new increases are scheduled for October 15, 1962.

Fifth. Domestic lumber has been given a preference when purchased by the Government.

Sixth. The FHA has reviewed the characteristics of Canadian lumber and determined that in at least one case there is a question of whether it meets strength requirements which enable it to properly compete with other U.S. lumber of similar dimensions.

Mr. President, in my colloquy with the Senator from Virginia a few moments ago he pointed out that, come January, we shall be in a position to offer whatever legislative proposals may be necessary to give to the lumber industry the protection the facts show it needs, and in case the administration has not acted in the meantime.

I have heretofore said, but I reiterate today, that if we cannot get the protection for our lumber industry that it justly deserves, next January I shall introduce a series of bills aimed at protecting the lumber industry. One of them will deal with the matter of the FHA financed homes. While the trade experts say that a proposal that FHA loans require the use of American lumber for FHA financed housing would place us in violation of our trade agreements, I am confident that we could work out a legislative solution.

I hope that we shall not have to come to that kind of legislation, although I shall not hesitate to introduce it.

If the Canadian Government is not cooperative in arriving at a voluntary marketing agreement with us, I shall

not hesitate to introduce such proposed legislation.

That is only one of the pieces of legislation seeking to protect the lumber industry which I shall introduce come January.

Another one of the bills I shall give consideration to introducing come January, if it becomes necessary, is a bill which would involve the imposition of lumber grade, strength, and marking standards on imported lumber, so as to give to American consumers an absolute assurance that the standards for imported lumber are equal to the standards for American-produced lumber. I also believe that we should consider requiring that Canada's producers show proportionately in the wood promotion program. Actually if this could be done and a marketing agreement reached, I think both the U.S. and Canada's producers, wholesalers, retailers, and the wood users would benefit.

Seventh. SBA and the Area Redevelopment Administration have underway an intensified program of loans to help small businesses upgrade their production and thus better compete with imported lumber products.

Eighth. On September 14 in Portland, Oreg., Secretary Freeman announced several substantial revisions in policy. These include elevation of the Forest Resource Advisory Committee to a broadly representative secretarial board, as well as a review of timber contracts and appeals procedure. I am particularly pleased with this step because it is the exact recommendation I made to the President on July 26.

Ninth. The Forest Service appraised timber prices have been reduced 30 percent over the last 3 years, following market trends. New procedures for appraisal have been placed in effect to more fairly write off road costs and properly price low value species.

Tenth. The Forest Service timber sales in the three major western regions reached record levels in fiscal year 1962. Region 6, covering Oregon and Washington, sold 4.8 billion board feet. Region 1, covering Idaho and Montana, sold almost 1.5 billion board feet. Region 5, covering California, sold over 1.6 million board feet.

Eleventh. The Bureau of Land Management has liberalized its schedule of timber sale payments and made other changes which eliminate onerous requirements which previously were placed on timber contractors to perform such functions as line surveys.

Twelfth. The Treasury Department revised depreciation schedules this summer for the first time in years. Tax savings to the forest industries here will total over \$25 million a year and American firms have been placed item by item in as good or on a better position than Canadian producers.

Thirteenth. The new tax bill's investment credit provision will be of benefit to the lumber industry in its efforts to modernize its equipment and machinery.

Fourteenth. The trade bill itself, with its five important provisions beneficial to the lumber industry will provide an-

swers for trade expansion as well as proper protection.

Fifteenth. The public works acceleration bill provides an opportunity to advance forestry and conservation work on the national forests and national land reserve including road construction, reforestation, and other programs vital to timber use and protection.

Sixteenth. The Department of Commerce has developed assistance programs for the lumber industry to aid it in sending trade missions abroad.

Seventeenth. S. 3517, already passed by the Senate, would allow 50 percent of lumber and forest products duty collections to be made available for product marketing and research.

Eighteenth. H.R. 12688, now before the President, will expand forest research at State colleges and universities including research in forest management protection and utilization.

This is a most substantial and encouraging 18-point record.

My judgment on the attitude which we must all take is very well expressed by an editorial in the September 1962, issue of *Western Timber Industry* entitled "Fulminating Futility." I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From *Western Timber Industry*,
September 1962]

FULMINATING FUTILE

We can only regard as hopelessly irresponsible the comments to the effect that the U.S. lumber industry may be "forced to engage in a general anti-Canada campaign" which were attributed to Henry Bahr, a vice president of the National Lumber Manufacturers Association.

He was quoted as storming that "For years we have tried to maintain peaceful relations with the Canadian lumber industry, but if we get no cooperation here we may be forced to use every political pressure possible to defeat U.S. policies that may be favorable to Canada."

He further fulminated, "If the Canadian lumbermen want a cooling-off period to give them more time to increase their exports to the United States, then of course we won't agree."

Frankly, we feel that this kind of temper tantrum has no place on the lips of a high official of a responsible national industry association. There has been too much blowing of battle trumpets and neighing of war horses already—and from both sides of the border.

There is a serious problem. The increase in imports from British Columbia is wrenching the Pacific Northwest lumber industry painfully. But those who quit using reason and resort to diatribes to find solutions abdicate the title of "reasonable men." United States and Canadian citizens have too much common heritage and common future to fall out like feudal barons.

Mr. MORSE. Mr. President, I say most sincerely and frankly, that I always give most careful consideration to the views expressed by competent people in my State. If we set our sights correctly and chart our course with wisdom we can make real progress.

We have moved forward. We shall move forward even more. The rate of progress and the type of progress will

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depend upon constructive suggestions, capably developed, carefully weighed, well documented and fairly presented. We must follow this cause, but we must not shrink from frank and full expression for individual views.

I do not want the Federal Government to become so heavily injected into the affairs of any private enterprise that for all practical purposes it will "run" the business.

The responsibility of the Federal Government is to create an economic climate which will assure the growth of free enterprise. That is what I meant when I referred to the basic tenet which the Senator from Virginia and the senior Senator from Oregon share; namely, that only to the extent we strengthen economic and individual freedom in this country shall we give assurance of the perpetuation of political freedom. I think we must apply this principle or tenet to individual issues as they arise. The tenet is before us in connection with the lumber industry.

I shall support the Government going as far as is necessary to protect the lumber industry against unfair competition from Canadian or other foreign imports. I shall also stand on guard against any attempt on the part of the Federal Government to so intervene in the operation of the lumber industry as to jeopardize the exercise of the free enterprise system within the industry.

The Kennedy administration has tried to create a climate which will assure the growth of free enterprise. The Kennedy administration has done this. Every step it has taken for the lumber industry has been designed to aid, and in fact has aided, this industry.

No administration should "spoon feed" an industry. I therefore urge the spokesmen for lumber to recognize what has been accomplished. Even more, I urge that they fulfill their obligation to establish the facts which complete the finding of a sound solution to the lumber import problem they so well have brought to the attention of the Congress and the administration.

This has been the position of the senior Senator from Oregon from the very beginning of our hearings on the economic crisis within the lumber industry.

Several weeks ago, in the public hearings in Portland, Oreg., the senior Senator from Oregon urged the lumber industry to proceed with full speed to lay its case before the Tariff Commission. I knew them, and made clear to their representatives, that the administration was bound to be greatly influenced, and, under the law, should be greatly influenced by the facts that the industry presented, within the procedure under the trade laws, before the Tariff Commission as to the economic plight of the industry.

As we move on critical situations will require patience and a willingness to be tolerant. I close by saying this. When the Congress convenes in January, I shall be prepared to take this matter up again should the facts warrant it. I think the record shows that I have told the industry that it must take certain steps so that we in the Congress can go on in their behalf. This the industry is doing.

I regret the industry delayed in making its case before the Tariff Commission. I wish this was complete because I am confident that based on the facts as I see them at this juncture, we would, today, have an overwhelming vote in the Senate for firm action. In fact, I am convinced the President would be awaiting only the signing of this bill to take the 19th step—imposing a tariff and quota, the 20th step—a marketing agreement, or the 21st step—assistance to mills and their employees.

I do not intend to look back. In January, if events have not properly restored our lumber industry, if the facts require it, I fully intend to offer additional legislative remedies strong enough to assure this restoration.

The lumber industry faces heavy competition from other products as well as from lumber from abroad. My goal is to make certain that this industry has the economic incentive and the vigor to deliver its benefits to our economy.

I think that this can be done and it will be done. There is no doubt in my mind that lumber is a basic commodity which simply cannot be beaten in the service it delivers to our economy.

In closing, I am privileged to say in behalf of the Senator from Washington [Mr. MAGNUSON] that he has given assurance to the lumber industry, and that he will stand shoulder to shoulder with me and, of course, I will continue to stand shoulder to shoulder with him. With our colleagues in the delegations from Washington and Oregon we will do what we can to see to it that the legitimate economic rights of the lumber industry are protected by whatever other governmental course of action is necessary in order to protect those rights.

Mr. President, I ask unanimous consent that pertinent portions of the testimony before the Tariff Commission by Mr. Robert Dwyer be printed in the RECORD at the conclusion of my remarks.

There being no objection the statement was ordered printed in the RECORD, as follows:

TESTIMONY OF ROBERT DWYER, COCHAIRMAN OF THE LUMBERMEN'S ECONOMIC SURVIVAL COMMITTEE BEFORE U.S. TARIFF COMMISSION ON CANADIAN LUMBER, OCTOBER 2, 1962

My name is Robert Dwyer. I am appearing today as a spokesman for the Lumbermen's Economic Survival Committee in petition for a temporary quota on the import of Canadian lumber products into this country.

I am here to plead for your action to save a capitalistic investment, to maintain something of a free enterprise system that has been attacked and partially massacred in the marketplace by a foreign operator able to produce lumber and sell that lumber in our marketplace at prices that cannot be equalled by an American producer.

In addition to an industry, a capital investment in plant and equipment and resources, I am asking this Commission to act to save the payrolls of the 200,000 sawmill workers in this country; 66,900 of those workers are in our Pacific Northwest States of Oregon, Washington, and Idaho. For without your action I am convinced a good deal of that capitalistic investment and a good number of those payrolls will vanish from the American industrial scene.

The lumber industry does not need my apologies, or a spokesman for its policies and attitudes. It has been and it is today a

ruggedly, self-supporting industry that has not come to the Government in the past and isn't coming to the Government now for subsidies, handouts of any form, or special privileges. The men with whom I associate and whom I represent today have banded together under one creed and one objective—an opportunity to compete with the world on an even footing. We seek only equal competition for ourselves as well as our foreign competitors.

We have boasted, and I will again today, that given an even break, or even a tolerable handicap, our American lumber industry can compete and with profit in any market of the world, especially our own domestic market.

But what has happened? Today we are unable to compete in many markets of the world and more and more each day we are unable to compete in our own domestic market. I won't weight this testimony with figures to demonstrate how Canadian imports through the past few years have moved into and taken over some 70 percent or more of our eastern markets. I will point only briefly to the tremendous timber reserves of Canada and warn you gentlemen, as solemnly as I know how, that, without a move toward equalization, they will capture more than a mere 70 percent of our eastern market. There are men in the Canadian lumber industry even today who are projecting and spending to capture not a mere 4 or 5 billion feet of the American lumber market, but a 7- to 15-billion-foot slice of that market. And this is in the face of the fact that the American lumber market has not grown perceptibly in the past decade and isn't likely to grow in the next. It means, gentlemen, that, without the breathing spell we must have to get our domestic policies in order to create a climate of equal competition, the Canadian exporters will take over as much as half of the entire American lumber market within the next decade.

But the lumber industry's problems don't need tricky mathematics to demonstrate that they are severe and they have an industry in distress and near economic ruin.

And may I remind you or anyone else interested in the economic welfare of this country that these are not defense industry jobs—these are not pump-priming jobs created by Government spending of tax money—these are not the welfare jobs nor the bureaucratic jobs that require Government spending to exist. These jobs are the fiber—the lifeblood—of America's economy. Gentlemen, the lumber industry's loss in payrolls is a loss of a source of the profit and money that is part of the basic, backbone strength of this country's economy—the strength whereby we meet our domestic and foreign obligations. These are the tax-paying jobs of industries that contribute in an ever-expanding area from trucks and gasoline and equipment taxes to the basic payroll taxes that have built the house you and I live in today—the strength and shape and power of America.

The American people have a vital stake in the welfare of our industry beyond the direct tax dollar contribution. The American people own most of the timber in this country and it is this industry that must manufacture and market that timber before a tree, worthless deep in the forest, is worth a dime. And it is this industry, made up of many competing companies rather than a few giants able to survive economic depression of foreign competition, that must be strong to compete and bid for that timber if it is not to fall into a state where lumber is manufactured like steel with six or seven operators producing 90 percent or more of the production.

The inroads of this outside competition which we seek to have brought into equal competition with our own industry has al-

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ready crippled the industry in areas like Portland, Oreg., where the Dwyer Lumber & Plywood Co. operates. Once our city had 18 huge, thriving mills with an 8-hour shift capacity of 2,245,000 feet. Now we have but four mills with a capacity of a mere 580,000 feet.

Let no one tell you this is a natural evolution, that lumber is a dying industry and that automation or any other technical development is taking away the jobs we have lost. I have listened to that rubbish right from within our own industry from men in a position to profit by a tightening of the production, in a position to profit from vast private timber reserves, from men with shipping interests or with Canadian operations of their own, from some operating as middle men who have created all of these false images to confuse and sometimes divide the industry in its fight for its economic life. This is balderdash and you and I know it! The story of the Canadian production base expansion, the story that is shown in the statements of Canadian lumber giants like MacMillan Bloedel of British Columbia, a story they spell out in their annual report to stockholders, is evidence enough that the profit and the jobs are still there in the lumber industry. But the lumber industry today is in Canada.

We are being nudged out of our market and out of our traditional business, and without this breather we are seeking from the Tariff Commission, without the time to regroup and reorganize our domestic affairs so that we can create a climate of equal competition with the Canadians, there will be a great many more of us in this industry who will go out of business.

We must pay our workers roughly 30 cents more an hour, including fringe benefits, than the Canadians pay their workers. We must pay our Government more than twice the stumpage costs of the Canadian Government. We must operate with a full-value American dollar in paying out bills, while the Canadian Government in nurse-maiding its industry has created a 92-cent dollar with which their industry can operate and pay its bills.

This country was founded and its economic strength was created on the belief that a man could work, that a man with brains and ideas and initiative could create something for himself, that our people had the rights of enterprise, yet we have seen much of that eroded in the past decade or more.

We have a country that holds these things up to the rest of the world. We boast that this is a place where a man willing to work has the right and the opportunity to work.

But in exporting our markets and exporting our industrial base, we have deprived some of those Americans of the right to work just as surely as if we had legislated against them. We have given their jobs away and in doing so have deprived them of their jobs. We will continue to deprive them of even more if we do not get this petition we seek today to protect what is left of our industry.

America is not yet a socialist state. It is a country where there is yet great strength in our willingness to compete with the world. But a devalued Canadian dollar, Canadian timber prices aimed at the sole objective of undercutting American timber prices, the creation by the United States of a merchant fleet and the maintenance of that fleet for the protection of the entire North American Continent, not the United States alone—these compounded are too big a burden to put upon the back of your lumber industry and expect it to survive.

Frankly, gentlemen, we have worked into the nights as hard as we know how to stave off this threat to an American industry. Secretary of Agriculture Orville Freeman has promised relief from the U.S. Forest Service policies that were not geared to this com-

petitive struggle. We now have promise of a change of policy and attitude that would create the more equitable timber costs we need to compete.

Senators MAGNUSON, MORSE, NEUBERGER, and our other Northwest delegates have seen the problem and, working with the industry, they have put a wedge into our archaic domestic shipping laws in an attempt to open the door to Puerto Rico to American producers again for the first time in years. Thanks, too, to these Northwest-ern statesmen, there is at least token recognition by the Canadians that all has not been fair in their monetary manipulations to capture the American market.

Give this industry the time it needs to bring these factors into balance, grant this quota so that we can find the time to survive, and I promise you the American lumber industry will again stand on its own feet and contribute some of the strength this country must have to lead the world.

Deny this petition, gentlemen, and I warn you, the entire lumber industry will be denied.

I have measured the men who have fought to keep this industry alive; men who brought about this hearing today. I have watched them face up to those in their own industry who have selfish interests such as Canadian investments or vast timber holdings or shipping interests as they shrugged off our pleas for equal competition. I have watched them push for equality for all of the industry in the face of almost insurmountable opposition from sources where they should have found support. I have watched them wade into this mass of Government technicalities and legal obstacles. It was no simple matter for them to get this far.

This is their day in court. This is the moment where they seek and expect to find the protection they are entitled to—the protection they must have if they are to keep alive what they have created in industry and jobs. Deny them now and you will destroy something of this country and much of this industry.

I ask you, give us the breathing spell we need.

Give us the opportunity to compete equally in our own market.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3679) authorizing an appropriation to enable the United States to extend an invitation to the Food and Agricultural Organization of the United Nations to hold a World Food Congress in the United States in 1963.

The message also announced that the House had agreed to the report of the Committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1552) to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity; and

H.R. 12513. An act to provide for public notice of settlements in patent interferences, and for other purposes.

The message further announced that the House receded from its disagreement to the amendments of the Senate numbered 1 and 6 to the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes, and concurred therein; that the House receded from its disagreement of the Senate numbered 2 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate, and that the House further insisted upon its disagreement to the amendments of the Senate numbered 19, 44, 47, 48, 49, 50, 51, 52, 53, and 54 to the bill.

INCOME TAX TREATMENT OF TERMINAL RAILROAD CORPORATIONS AND THEIR SHAREHOLDERS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2237, H.R. 12599.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments, on page 4, line 6, after the word "member", to insert "other than as a common parent corporation,"; in line 21, after "(D)", to strike out "all of the shareholders of which compute their taxable income on the basis of the same taxable year as the terminal railroad corporation," and insert "each shareholder of which computes its taxable income on the basis of a taxable year beginning or ending on the same day that the taxable year of the terminal railroad corporation begins or ends."; on page 6, after line 4, to insert:

"(e) APPLICATION TO TAXABLE YEARS ENDING BEFORE THE DATE OF ENACTMENT.—In the case of any taxable year ending before the date of the enactment of this section—

"(1) this section shall apply only to the extent that the taxpayer computed on its return, filed at or prior to the time (including extensions thereof) that the return for such taxable year was required to be filed, its taxable income in the manner described in subsection (a) in the case of a terminal railroad corporation, or in the manner described in subsection (b) in the case of a shareholder of a terminal railroad corporation; and

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a proposed Amendment No. 2, to extend through October 31, 1963, the concession contract for the Mesa Verde Co., Inc., to provide facilities and services for the public in Mesa Verde National Park, Colo. (with accompanying papers; to the Committee on Interior and Insular Affairs.

REPORT ON AWARD OF YOUNG AMERICAN
MEDALS FOR BRAVERY AND SERVICE

A letter from the Attorney General, reporting, pursuant to law, on the award of Young American Medals for Bravery and Service, for the year 1960; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted at a mass meeting of the American citizens of Baltic descent, at Racine, Wis., protesting against the forceful occupation of Estonia, Latvia, and Lithuania by Soviet Russia on June 15, 1940; to the Committee on Foreign Relations.

OIL IMPORT CURBS URGED BY
TYLER, TEX., CHAMBER OF COM-
MERCE

Mr. YARBOROUGH. Mr. President, the board of directors of the Chamber of Commerce of Tyler, Tex., has recently expressed its concern over the high level of oil imports and the resulting damage to the domestic oil industry.

The Tyler Chamber of Commerce board called for immediate action by the U.S. Congress to establish a limitation on U.S. oil imports, thereby relieving the domestic oil industry of an unfair and extremely damaging burden to an important segment of our national economy.

In support of this view, I ask unanimous consent to have printed in the RECORD the following exceptionally well-stated resolution, captioned "Resolution Supporting Stronger U.S. Oil Import Program," and signed by J. Harold Stringer, president of the board of directors of the Tyler Chamber of Commerce.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION SUPPORTING STRONGER U.S. OIL
IMPORT PROGRAM

Whereas U.S. imports of foreign-produced crude oil and petroleum products continue to rise to new record high levels every year despite a Government restriction program and which record was 697 million barrels in 1961, an increase of 32 percent over 1956; and

Whereas imports of crude oil and petroleum products have become the largest single contributor to the development of an unfavorable U.S. trade balance such imports reaching a value of \$1,667 million in 1961 and which imports constituted 11 percent of all U.S. imports and being far more than coffee, the second ranking U.S. import in 1961; and

Whereas this rapid increase in petroleum imports is a major cause of the seriously depressed condition in which the U.S. domestic petroleum industry finds itself today; and

Whereas this depressed condition of the domestic oil industry in the United States is particularly of evidence in the State of Texas and especially in east Texas, as indicated by the following facts:

1. In direct contrast with the large growth of foreign oil imports, and despite an 11.6-percent increase in U.S. petroleum demand, U.S. domestic production of crude oil during 1961 was limited to almost the identical level as in 1956, although there exists a shut-in producing capacity of more than 2½ million barrels per day in the United States.

2. U.S. income from crude oil production is less now than in 1957, due to a decline of 17 cents per barrel, or 5 percent, in average U.S. crude oil prices at a time when domestic producing rates have remained static.

3. Total new wells drilled for oil and gas in the United States has decreased 19 percent since 1956, including a 30-percent decline in wildcat drilling upon which the discovery of new producing sources is dependent.

4. The number of rotary drilling rigs able to find work in the United States has declined by 40 percent since 1956.

5. A decline since 1957 of 25 percent has occurred in number of contracting firms operating rotary drilling rigs in the United States.

6. Total U.S. petroleum industry employees has dropped 11 percent since 1956: Now, therefore, be it

Resolved, That the board of directors of the Tyler Chamber of Commerce meeting at Tyler, Tex., on June 6, 1962, does hereby vigorously urge and request the executive department of the U.S. Government to immediately take steps which will impose an overall limitation on all oil imports from all sources into all areas of the United States to a level that will not exceed the 14-percent relationship of imports to domestic crude oil production that existed in 1956; and be it further

Resolved, That the board of directors of the Tyler Chamber of Commerce advocates and supports immediate action by the U.S. Congress to establish such a limitation on U.S. oil imports.

J. HAROLD STRINGER,
President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 6682. An act to provide for the exemption of fowling nets from duty (Rept. No. 1607).

By Mr. HICKEY, from the Committee on Interior and Insular Affairs, without amendment:

S. 536. A bill to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wind River Indian Irrigation project, Wyoming, and for other purposes (Rept. No. 1611).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 3018. A bill to provide for the conveyance of 39 acres of Minnesota Chippewa tribal land on the Fond du Lac Indian Reservation to the SS. Mary and Joseph Church, Sawyer, Minn. (Rept. No. 1609).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

S. 3224. A bill to declare that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina (Rept. No. 1610).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 2971. A bill to declare that certain lands of the United States are held by the United States in trust for the Jicarilla Apache Tribe of the Jicarilla Reservation (Rept. No. 1608).

By Mr. JORDAN, from the Committee on Agriculture and Forestry, without amendment:

S. 2121. A bill to establish Federal agricultural services to Guam, and for other purposes (Rept. No. 1613);

S. 2859. A bill to amend the Federal Crop Insurance Act, as amended, in order to increase the number of new counties in which crop insurance may be offered each year (Rept. No. 1614); and

S. 3120. A bill to amend section 6 of the act of May 29, 1884 (Rept. No. 1615).

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S.J. Res. 201. Joint resolution to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed (Rept. No. 1612).

INCREASE OF LIMIT OF EXPENDI-
TURES FOR COMMITTEE ON
FINANCE—REPORT OF A COM-
MITTEE

Mr. BYRD of Virginia, from the Committee on Finance, reported an original resolution (S. Res. 350); which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Finance hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-seventh Congress, \$12,000, in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

BILLS AND JOINT RESOLUTION
INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE.

S. 3454. A bill for the relief of Nick Mason-ich; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 3455. A bill for the relief of Melynda Kim Zehr (Chun Yoon Nyu) and Michelle Su Zehr (Lim Myung Im); to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 3456. A bill to authorize assistance under the Area Redevelopment Act in the case of any area which has been adversely affected by the imposition by the United States of an embargo on the importation of products from Communist or Communist-dominated countries; to the Committee on Banking and Currency.

By Mr. McCARTHY:

S. 3457. A bill to amend title 3 of the Sugar Act of 1948 to provide for the establishment of fair and reasonable minimum wage rates for workers employed on sugar farms, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. McCARTHY when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 3458. A bill to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FULBRIGHT (by request):

S. 3459. A bill to authorize the appointment of one additional Assistant Secretary of State; to the Committee on Foreign Relations.

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(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. GRUENING:

S. 3460. A bill to authorize the payment of certain claims for structural or other major defects in homes covered by FHA-insured mortgages, and to require indemnification bonds in the case of certain new construction under FHA-insured mortgages; to the Committee on Banking and Currency.

(See the remarks of Mr. GRUENING when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S.J. Res. 202. Joint resolution to provide for the commemoration of the 175th anniversary of the Constitution of the United States, on September 17, 1962; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

INCREASE OF LIMIT OF EXPENDITURES FOR COMMITTEE ON FINANCE

Mr. BYRD of Virginia, from the Committee on Finance, reported an original resolution (S. Res. 350) increasing the limit of expenditures for the Committee on Finance, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. BYRD of Virginia, which appears under the heading "Reports of Committees.")

AMENDMENT OF TITLE 3 OF THE SUGAR ACT OF 1948

Mr. McCARTHY. Mr. President, I introduce, for appropriate reference, a bill to amend title 3 of the Sugar Act.

This bill deals with the section under which the Secretary of Agriculture is required to determine fair and reasonable wages. It establishes the national minimum wage as a norm, but it also provides that the Secretary, after due notice and public hearing, may make exceptions in case of hardship. It also offers an incentive for producers to meet the standard.

I ask unanimous consent that the bill remain at the desk until the Senate adjourns tomorrow in order that Senators who desire to sponsor the bill may have an opportunity to do so.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 3457) to amend title 3 of the Sugar Act of 1948 to provide for the establishment of fair and reasonable minimum wage rates for workers employed on sugar farms, and for other purposes, introduced by Mr. McCARTHY, was received, read twice by its title, and referred to the Committee on Finance.

ADDITIONAL ASSISTANT SECRETARY OF STATE

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize the appoint-

ment of one additional Assistant Secretary of State.

The proposed legislation has been requested by the Assistant Secretary of State, Mr. Frederick G. Dutton, and I am introducing it in order that there may be a specific bill to which members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the Record at this point, together with the letter from the Assistant Secretary of State, dated June 4, 1962, in regard to it.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the Record.

The bill (S. 3459) to authorize the appointment of one additional Assistant Secretary of State, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the Record, as follows:

Be it enacted, by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of May 26, 1949, as amended (5 U.S.C. 151a), is amended by striking out "eleven" and inserting in lieu thereof "twelve".

SEC. 2. Section 106(a) (17) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(11)" and inserting in lieu thereof "(12)".

The letter presented by Mr. FULBRIGHT is as follows:

DEPARTMENT OF STATE,
Washington, D.C., June 4, 1962.

THE VICE PRESIDENT,
U.S. Senate.

DEAR MR. VICE PRESIDENT: Enclosed is a proposed bill, to authorize the appointment of one additional Assistant Secretary of State, which the Department believes will strengthen executive direction within the Department. This position would be used for the Director of the Bureau of Intelligence and Research. The importance and scope of the job and the need to maintain the Department's position in the intelligence community fully justifies this action.

The Bureau of Intelligence and Research has the dual function of meeting the requirements of the coordinated intelligence community under intelligence directives issued by the National Security Council, and also meeting the Department's own research and intelligence needs. In a rapidly changing world it is essential for sound policymaking that adequate information be available regarding the current situation and the probable future consequence of potential alternative decisions. It is important to attempt to look ahead, to try to anticipate problems or opportunities for American foreign policy and it is also necessary to apply specialized skills to the task of improving the basic assumption on which policy rests.

For these reasons the functions of the Bureau of Intelligence and Research are equivalent in importance to those of the geographic and functional bureaus currently headed by an Assistant Secretary. The enactment of the proposed bill would enable the Department to give more adequate attention to the quality of research activi-

ties and would insure consideration of research information at a high level.

The Department has been informed by the Bureau of the Budget that there would be no objection, from the standpoint of the administration's program, to the presentation of the draft legislation to the Congress for its consideration.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary
(For the Secretary of State).

COMMEMORATION OF 175TH ANNIVERSARY OF THE CONSTITUTION OF THE UNITED STATES

Mr. DIRKSEN. Mr. President, I call attention to the fact that on the 17th of September 1962 we shall observe the signing of the final draft of the Constitution of the United States at the convention in Philadelphia. I propose to introduce a joint resolution that the 17th day of September 1962 is hereby designated as "the 175th anniversary of the signing of the Constitution of the United States", and the President of the United States is authorized and requested to issue a proclamation inviting the people of the United States to observe and celebrate such date with appropriate ceremonies and activities.

I introduce the joint resolution for appropriate reference.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 202) to provide for the commemoration of the 175th anniversary of the Constitution of the United States, on September 17, 1962, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the Judiciary.

CONFLICT-OF-INTEREST LEGISLATION—AMENDMENTS

Mr. KEATING. Mr. President, the Senate Committee on the Judiciary this morning, held hearings on some extremely important legislation already approved by the House of Representatives. The bill before the committee was H.R. 8140. This bill is the most comprehensive attempt to overhaul our conflict-of-interest statutes in many years.

There are some weaknesses in the bill as it now stands, and I intend to offer for myself and my colleague [Mr. JAVIRS] four amendments to improve the bill, which I ask unanimous consent be printed at the conclusion of my remarks and referred to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, the first amendment would incorporate a system of administrative enforcement for the conflict-of-interest laws. The administrative remedies and civil penalties included in the amendment would in no way prevent criminal prosecution but would supplement the criminal provisions of the conflict-of-interest laws. The President's message to Congress of April 27, 1962, on conflict-of-interest leg-